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Testimony of

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Connecticut Commission on Aging

On

Low-Income Home Energy Assistance Program Allocation Plan

Appropriations, Human Services and Energy & Technology Committees

September 27, 2011

Good afternoon and thank you for considering our thoughts regarding the allocation plan before you for the Low-Income Home Energy Assistance Program (LIHEAP) block grant. This year's significantly reduced projected funding level – a loss of approximately \$70 million, a cut of more than 50% – poses a major challenge for our state and its residents. CoA applauds Governor Malloy and his administration, statewide and national advocates and other stakeholders for continuing efforts to enhance the federal funding level for this critical program.

As you know, the Connecticut Commission on Aging (CoA) is an independent, nonpartisan state agency that is part of the legislative branch of government. As part of Results-Based Accountability, the Connecticut Commission on Aging is statutorily mandated (CGS §17b-420) to collect information on and make recommendations regarding the following Population Results: that all older adults are **healthy, safe, free from discrimination, economically self-sufficient and educationally fulfilled**. The Commission also serves as a member of the statutorily-mandated Low-Income Energy Advisory Board (CGS §16a-41b). This board, comprised of representatives of state agencies, community action agencies, utility companies, Operation Fuel, Infoline 2-1-1 and other interested parties, is charged with advising policymakers in the legislative and executive branches about energy assistance programs.

For over seventeen years, the Commission has served as an effective leader in statewide efforts to promote choice, independence and dignity for Connecticut's older adults and persons with disabilities. A major component of these goals is being able to afford to live in one's home, and energy assistance is a critical component of these efforts. Simply put, those who are unable to heat their homes are unable to live in their homes.

(more...)

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The importance of LIHEAP cannot be overstated. The ability to afford to heat one's home can literally mean the difference between life and death for hundreds of thousands of residents across our state each winter. Additionally, a lack of heat can lead to pipes bursting – and expensive, complex repairs for homes. Rising energy costs and a downturned economy have combined to put this ability out of reach for too many Connecticut households. According to Operation Fuel, the gap between actual and affordable home energy bills for households below 185% of federal poverty guidelines – the “energy affordability gap” – was over \$2000 per household for 2010.

LIHEAP helps to fill that gap. Last year (2010-2011), LIHEAP served a record 117,876 households across our state. **Of those, over 33,400 (28.4%) included an individual over the age of 60.** According to the Elder Economic Security Initiative, energy assistance is as important and as helpful as prescription drug assistance in helping older adults meet their needs.

Faced with the proposed reduction in funding – and a projected increase in the cost of heating oil in our region of 19% (Energy Information Administration) – limited options exist to provide adequate assistance to Connecticut's residents in need. It is our understanding that, based on feedback from both legislators and the Low-Income Energy Advisory Board (LIEAB), the Governor is presenting an alternative plan for LIHEAP today. This alternative plan takes into account concerns raised by LIEAB and others about the lack of funds for utility-heated households and for renters.

**CoA supports this alternative plan**, which will help almost 99,000 households (compared with 36,826 in the Governor's original proposal for 2011-2012). Although the level of funding for renters and utility-heated households is less than adequate, it will allow those households to show a good-faith effort in keeping current with those bills. In conjunction with the Earned Income Tax Credit that many of these families may receive in the Spring, hopefully, households will not fall too far behind.

CoA offers the following additional recommendations:

**1) The Connecticut General Assembly should consider reducing the minimum number of gallons of heating oil required for delivery in Connecticut.**

Public Act 08-1, August Special Session, reduced this minimum from 150 gallons to 100 gallons. The Legislature plans to come into Special Session this Fall and should consider reducing this number further to **50 gallons**. This will allow households to get a partial fill-up with available funds while they await LIHEAP eligibility determination and/or consider other options for assistance. As a comparison, the State of Maine currently uses 20 gallons as its minimum – and has since the 1980's. Please see the attachment for specific suggested statutory language.

**2) The State should authorize additional funds to assist with intake and eligibility for LIHEAP.**

As these Committees know, federal law restricts the amount of LIHEAP funds available for administration to 10% of the total grant. These administrative funds largely are distributed to community action agencies (CAAs) to process applications. A significant reduction in grant funding will mean significantly less money for the CAAs for this purpose – yet need remains as high, if not higher than last year. With recognition of the difficult state budget environment, CoA recommends a state investment of \$4 million to assist with application intake.

**3) Consistent with the recommendations of LIEAB, CoA recommends beginning the program on November 1 instead of November 15.**

(more...)

**4) CoA recommends the immediate establishment of a Rapid Response Team, composed of law enforcement, social services and elected officials from the state and municipalities and other relevant stakeholders.**

This month's Hurricane/Tropical Storm Irene demonstrated vividly the effect of being without electricity for days at a time – and temperatures were not a factor. What will the state do if and when people's oil tanks run dry due to lack of funds? If those individuals are elderly or very young – or are medically compromised – where will they go? One disastrous outcome could be that individuals will go to hospital emergency departments, because they don't know where else to go. Another is that families will send loved ones to nursing homes.

A coordinated response is needed to ensure that people are offered alternate housing, either in shelters or other locations. Law enforcement and social services officials and others should be trained to be on the lookout for vulnerable individuals and households throughout the winter.

Additionally, once the shut-off moratorium ends in the Spring, our state may have tens of thousands of people without electricity. Most of them will be in our state's urban areas, where utility-heated LIHEAP recipients tend to live. Our state must prepare for this inevitability.

The Commission on Aging is ready to serve as a resource to your committees and others as you finalize these and other plans for energy assistance. Thank you.

Connecticut Commission on Aging Recommended Legislation re LIHEAP 9/27/11

For more information, please contact Deb Polun @ 860-240-5200.

Section 16a-22a of the general statutes is amended as follows (*Effective Immediately*):

**Sec. 16a-22a. Retail dealers prohibited from requiring minimum delivery of fuel oil or propane.** No retail dealer of fuel oil or propane shall require that any regular customer of such dealer accept a minimum delivery of fuel oil or propane of over fifty [one hundred] gallons or seventy-five per cent of primary tank size, whichever is less, as a condition of delivery by such dealer.

## Fact Sheet: Connecticut Energy Assistance Program (updated 9/23/11)

**Background**

The Low-Income Home Energy Assistance Program (LIHEAP) is a federal program that provides money to states to fund heating and cooling for low-income and vulnerable populations. Connecticut's program is called the Connecticut Energy Assistance Program (CEAP) and is used specifically for winter energy assistance and conservation services.

The funding level for CEAP is set by the federal government as part of its annual budget process. Each year in late Summer/early Fall, the Governor's office and the Department of Social Services submit a plan for CEAP to the legislature, based on the estimated federal appropriation level, for eligibility requirements, program dates, benefit levels and other criteria. The administration also receives input on the plan from the statutorily-mandated Low-Income Energy Advisory Board (LIEAB, CGS §16a-41b). LIEAB, chaired by the Office of Policy and Management, includes representation from the Commission on Aging, advocates, utility providers, community action agencies and other stakeholders. The Appropriations, Energy and Technology and Human Services committees hold a public hearing and vote to approve or modify the plan.

**Who does CEAP help?  
(2010-2011 program year)**

117,876 households...

... in all 169 towns.

About 33,000 households  
with a person over age 60.**This Program Year**

Although the federal government has not yet set its FFY '12 budget, projections are that LIHEAP will receive a significant cut. Further complicating matters is the increase in oil prices over the past few years. If no additional funds are contributed, eligibility and/or benefit levels will be decreased significantly. **The Governor's original and new alternative proposals differ significantly from that of prior years:**

	2010-2011 Plan	Original Proposal (8/31/11)	New Proposal (9/22/11)
Funding Level	Originally planned for \$72 million; final funding was ~\$114 million, including carryover funds	\$46.4 million (projected)	\$46.4 million (projected)
Number of households helped	117,876	36,826	98,861
Types of heat	Oil, other deliverable fuels, gas, electric	Oil and other deliverable fuels	Oil, other deliverable fuels, gas, electric
First fuel delivery date	November 1	November 15	The new proposal does not specify.

## CT Commission on Aging Fact Sheet

	2010-2011 Plan	Original Proposal (8/31/11)	New Proposal (9/22/11)
How are oil and other deliverable fuel households helped?	They received an original benefit ranging from \$580 to \$880 and were eligible for a total of up to \$1680 for the season.	They receive an original benefit ranging from \$580 to \$880 and are eligible for a total of up to \$1680 in benefits for the season.	They receive an original benefit ranging from \$40 to \$60 and are eligible for a total of up to \$1280 in benefits for the season.
How are utility households helped?	They received the same basic benefit as deliverable fuel households (but deliverable fuel households could also receive additional benefits). Utility-heated households were also eligible for utility arrearage forgiveness and matching payment programs.	They receive no benefit. Without a benefit, they are not eligible for utility arrearage forgiveness and matching payment programs.	They receive a benefit of \$40-\$60 for the season. If they apply for this benefit, and are deemed eligible, they will retain their eligibility for utility arrearage forgiveness and matching payment programs.
How are households with heat costs included in their rent helped?	A benefit was provided to the household to help offset the heat cost in their rent.	They receive no benefit.	They receive a benefit of \$10-\$20 for the season.
How are conservation services provided?	Eligible households received additional funds for "clean, tune and test" of their deliverable fuel heating systems. Weatherization assistance through the community action agencies or through the utility-administered programs are based on eligibility for energy assistance.	Eligible households can designate a portion of their expected funds for a "clean, tune and test" of their deliverable fuel heating systems. Income eligibility for weatherization assistance is reduced by approximately half. The utility-administered programs may have difficulty determining eligibility for their low-income programs because of reduced income eligibility for energy assistance.	The new proposal does not specify.

**LIEAB Action**

The Low-Income Energy Advisory Board met on September 7, 2011 and voted to approve the following motions related to the current proposal for the 2011-2012 program year:

- 1) Maintain the FFY '11 LIHEAP program structure and program eligibility levels and plan for reduced benefits by creating a three-tiered approach to allow the program to modify benefit levels based on federal and potential state-appropriated funds. Households with income up to 60% of state median income (SMI; \$31,863 for a one-person household, \$61,276 for a four-person household) could continue to be eligible for assistance, regardless of heat source, and renters could receive a benefit.
- 2) Modify the proposed start date for CEAP fuel authorizations from November 15 to November 1, the date the program has historically opened, and allow program application on the same time table as last year.
- 3) Commit state-appropriated funds to supplement federal funds allocated for administrative costs to the community action agencies and other qualified entities to administer the program.
- 4) Commit state-appropriated funds to supplement federal funds for energy assistance benefits.

**Next Steps**

The Appropriations, Energy and Technology and Human Services Committees will hold a public hearing on **Tuesday, September 27, 2011 at 3:00 pm**; immediately following the public hearing, the Committees will vote to approve or modify the plan. Many stakeholders, including Governor Malloy and other governors, are also asking the federal government to fund LIHEAP at last year's levels.

